

## COMMONWEALTH OF AUSTRALIA

*Trade Practices Act 1974 — Subsection 93(1)***EXCLUSIVE DEALING NOTIFICATION**

To the Australian Competition and Consumer Commission:

Notice is hereby given, in accordance with subsection 93(1) of the *Trade Practices Act 1974* of particulars of conduct or of proposed conduct of a kind referred to in subsection 47(2), (3), (4), (5), (6) or (7), or paragraph 47(8)(a), (b) or (c) or (9)(a), (b), (c) or (d), of that Act in which the person giving notice engages or proposes to engage.

**1 (a) Name of person giving notice**

Pace Land Holdings Pty Ltd (ACN 069 532 467) of Level 19, 60 Castlereagh Street, Sydney, New South Wales ("Pace Land").

**(b) Short description of business carried on by that person**

Pace Land Holdings Pty Limited is a property investment company.

**(c) Address in Australia for service of documents on that person**

Michael Kent - Chief Financial Officer  
Pace Land Holdings Pty Ltd  
Locked Bag 800  
Rooty Hill, NSW 2766  
Phone: (02) 9830 9800  
Fax: (02) 9830 9801

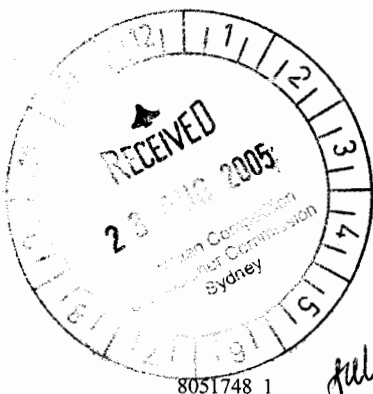
**2 (a) Description of the goods or services in relation to the supply or acquisition of which this notice relates**

The goods and services to be supplied in the future by Pace Land, being the supply of residential lots in connection with house and land packages in the Hawkestone housing estate in South Morang, Victoria ("Hawkestone Development").

**(b) Description of the conduct or proposed conduct**

Pace Land proposes to supply selected residential lots located in the Hawkestone Development to customers or give or allow a discount, allowance, rebate or credit in respect of selected residential lots in the Hawkestone Development to customers on condition that the customer acquires services from one of a group of specified builders.

Pace Land proposes to refuse to supply selected residential lots in the Hawkestone Development to customers or refuse to give or allow a discount, allowance, rebate or credit in respect of selected residential lots in the Hawkestone Development to customers for the reason that the customer has not



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acquired, or has not agreed to acquire, services from one of a group of specified builders.

**Reason why the benefit to the public from the proposed conduct will outweigh any detriment to the public from the proposed conduct:**

Pace Land considers that a number of benefits arise out of the proposed conduct.

The proposed conduct will stimulate price competition in sectors of the housing market. By having a pre-determined range of designs on offer for a part of Hawkestone Development, economies of scale can be generated by each nominated builder with the benefit of potential cost reductions to consumers.

Further, the benefit which Pace Land proposes to offer to consumers, which will in some cases involve a discount off the amount payable by the customer on settlement and usually consist of complementary landscaping and fencing, will stimulate competition amongst builders and developers and in residential real estate markets.

The proposed conduct will also provide benefits to customers in relation to the suitability of home designs for the property and the area. The builders nominated by Pace Land will be required to prepare a suite of designs suitable for the land types in the Hawkestone Development. The initial design approval process will ensure that dwellings are appropriate for the size of the allotments, thereby improving the quality of residential development.

Purchasers will be able to assess the range of designs offered by the relevant nominated builder(s) for their chosen allotment and then select their preferred dwelling design. The package of land and dwellings will reduce transaction costs for customers, who might otherwise have to spend time and money assessing alternative individual proposals from a variety of vendors.

The proposed conduct will also allow customers to carefully consider and appraise on-ground building designs products before they commit to purchase those products.

Since nominated builders will have a degree of assurance of receiving a reasonable volume of building work, the establishment of display dwelling(s) on the Hawkestone Development becomes feasible. These display dwellings showcase some of the designs available from the nominated builders and allow the builders to promote their services to other customers, who may not wish to purchase a property located in the Hawkestone Development.

The proposed conduct will also provide a degree of comfort to customers that neighbouring residential lots will not be developed using an architectural style that is not sympathetic to the architectural style of the Hawkestone Development.

The proposed conduct will assist customers to locate a reputable builder who will have expertise in building homes on the types of lots offered in the Hawkestone Development. This is because the builders are selected against the following criteria:

- strong professional integrity;

- strong balance sheet enabling them to carry out the required building works;
- substantial evidence of building quality homes;
- evidence that a number of houses can be started on time and completed in the required construction time frame;
- experience in building innovative housing products using contemporary design elements;
- sound understanding of best practice residential design principles; and
- strong understanding of energy efficient and sustainable design principles and evidence that these principles have been incorporated into current designs.

Each nominated builder will be competing against a number of other builders to provide building services to potential customers. Competitive pressures will be derived from a number of sources, including:

- other nominated builders in the Hawkestone Development;
- any other builder supplying building services in respect of lots in parts of the Hawkestone Development which are not affected by the conduct;
- house and land packages being offered in surrounding developments; and
- existing residential housing in surrounding areas.

The proposed conduct will take place in the highly competitive building and real estate markets.

For all the reasons set out above, the proposed conduct will increase competition in all relevant markets and will give rise to a net benefit to the public.

**3 (a) Class or classes of persons to which the conduct relates**

Members of the public who acquire a residential lot in the Hawkestone Development.

**(b) Number of those persons —**

- (i) At present time  
Nil
- (ii) Estimated within the next year  
Approximately 30 to 50 persons.

**(c) Where number of persons stated in item 3(b)(i) is less than 50, their names and addresses**

Unknown

**4 Name and address of person authorized by the person giving this notice to provide additional information in relation to this notice**

Michael Kent - Chief Financial Officer  
Pace Land Holdings Pty Ltd  
Locked bag 800  
Rooty Hill NSW 2766  
Phone: (02) 9830 9800  
Fax: (02) 9830 9801

Dated 18 August 2005

Signed on behalf of the person giving this notice



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Frank Pace  
Director